

Acquisition Reform Success Story



C-130J

Program Manager: Col Gregory Siegel
DAC: Major General Smith
Contractor: Lockheed Martin
Contractor PM: Mr. Mike Mikolowski

Program Description

After more than 40 years, 2,000 production models, nearly 60 variants, and over 20 million accumulated flight hours, the C-130 Hercules remains a major airlift power for the U.S. Military Forces. The C-130J is the newest version of the C-130 Hercules. The task to redesign the aircraft was undertaken by Lockheed Martin at company expense, with intended sales to the United States and various foreign markets. The Air Force's procurement of the C-130J falls within the guidelines of the FAR Part 12, Commercial Item Acquisition.

How Streamlining Made a Difference

- No MILSPECs OR MILSTDs
- Acquisition documents (DoD 5000.2) reduced from 23 down to 5 for program review and approval
- No formal milestone review
 - Paper review via Commercial Acquisition Review and Approval
- Less Government Oversight
 - DPRO reducing 7-10% per year
 - Acquisition positions reducing 35% between now and 2000
- Weapon system test concept unprecedented
 - Contractor responsible for DT&E -- DD250 occurs after DT&E (fly before buying)
 - AFFTC and AFOTEC teamed with contractor
- Program has achieved \$0.5M in cost savings through the reduction in size of required development system office (WPAFB) staff necessary for a streamlined commercial vs. standard military procurement strategy
- \$300M cost avoidance refers to 1/2 of the contractor's current NRE estimate for C-130J development never budgeted by the USAF

| Measure | From | To |
|------------------------------------|----------|-------------------------|
| Military Standards and Specs | 95 | 14 |
| Statement of Work pages | 13 | 0 |
| Contract Data Requirements (CDRLs) | 118 | 43 |
| Warranty extended from: | 6 months | 12 month - nose to tail |

Bottom Line: Less government oversight (doing it **better**), no formal milestone review (doing it **faster**), with \$300M in cost avoidance (doing it **cheaper**).